

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement the
California Renewables Portfolio Standard
Program.

Rulemaking 04-04-026
(Filed April 22, 2004)

**ADMINISTRATIVE LAW JUDGES' RULING REGARDING
COMMENTS ON REPORTING ISSUES**

On February 15, 2006, Energy Division staff served a white paper titled: "RPS Annual Procurement Targets: Reporting and Compliance." This staff white paper addresses the methodology to be used in determining load-serving entity (LSE) compliance with the Renewables Portfolio Standard (RPS) procurement requirement of 20% by 2010. A copy is contained in Attachment A to this ruling.

On February 16, 2006, staff conducted a workshop on this white paper. The Commission now establishes a period for written comments and reply comments. Comments and reply comments should address the issues and questions identified in Attachment B, along with anything else upon which parties wish to comment. To the fullest extent feasible, parties should organize comments and reply comments using the same outline, in order to facilitate understandability and completeness, and should consider using the organization in Attachment B for the outline. Parties should also attach to their comments a red-lined version of the staff white paper with the party's specifically and precisely proposed alternative language, where appropriate.

Comments and reply comments will be used to refine and perfect the reporting and compliance methodology. The framework for evaluating the comments and reply comments is the extent to which the goals from the implementing legislation are achieved, including, but not necessarily limited to, the following:

- Attain a target of 20% renewable energy for the State of California. (Pub. Util. Code § 399.11(a).) ¹
- Ensure that each electrical corporation procures renewable energy equal to 20% of its retail sales by 2010. (§ 399.15(b)(1).) ²
- Increase the diversity, reliability, public health and environmental benefits of the energy mix. (§ 399.11(a).)
- Promote stable electricity prices, protect and improve public health, improve environmental quality, ameliorate air quality problems, stimulate sustainable economic development, create new employment opportunities, and reduce reliance on imported fuels. (§§ 399.11(b) and (c).)
- Ensure that each electrical corporation's renewable energy procurement plan achieves the goal of procuring the least-cost and best-fit eligible resources, and complies with Commission orders adopting the plan. (§§ 399.14(a)(3) and (d).)
- Employ flexible compliance rules including, but not limited to, permitting electrical corporations to apply excess procurement in one year to subsequent years or inadequate procurement in one year to no more than the following three years. (§ 399.14(2)(C).)

¹ All references are to the Public Utilities Code unless noted otherwise.

² The State's Energy Action Plan (EAP) accelerates the RPS goal from 20% by 2017 to 20% by 2010. (See § 399.15(b)(1); EAP, May 2003, Action II, page 5; and EAP II, October 2005, Action Area 3, page 8.) This was reiterated in Order Instituting Rulemaking 04-04-026 (issued April 28, 2004), which encourages the utilities to procure cost-effective renewable generation in excess of their RPS annual procurement targets in order to make progress towards the goal expressed in the EAP. The 20% by 2010 target was most recently reaffirmed in Decision (D.) 05-07-039 and D.05-11-025.

- Ensure that beginning January 1, 2003, each electrical corporation shall increase its total procurement of eligible renewable energy resources by at least an additional 1% of retail sales per year so that 20% of its retail sales are procured from eligible renewable energy resources no later than December 31, 2010, without requiring an electrical corporation with 20% of retail sales procured from eligible resources in any year to increase its procurement in the following year. (§ 399.15(b)(1) and EAP II.)

It is expected that the revised methodology will be adopted by the Commission after comments and reply comments from parties on a draft decision (DD). The DD will most likely be filed shortly after the methodology is revised, as necessary, based on comments filed pursuant to this ruling.

IT IS RULED that comments and reply comments may be filed and served on the staff white paper titled: “RPS Annual Procurement Targets: Reporting and Compliance” contained in Attachment A to this ruling. Comments shall be filed and served by March 10, 2006, and reply comments by March 17, 2006. Comments shall address issues and questions identified in Attachment B, along with anything else upon which a party wishes to comment. To the fullest extent feasible, parties shall organize comments using the same outline, and attach a red-lined version of the staff white paper with the party’s specifically and precisely proposed language, where appropriate. Comments and reply comments shall be evaluated in the context of the extent to which they assist parties, the Commission and the state achieve the goals in the implementing legislation.

Dated February 23, 2006, at San Francisco, California.

/s/ BURTON W. MATTSON
Burton W. Mattson

/s/ ANNE E. SIMON
Anne E. Simon

Administrative Law Judge

Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judges' Ruling Regarding Comments on Reporting Issues on all parties of record in this proceeding or their attorneys of record.

Dated February 23, 2006, at San Francisco, California.

/s/ ELIZABETH LEWIS
Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.